

DEPARTMENT OF INSURANCE

FINANCIAL SUMMARY

	FY 2002 EXPENDITURE	FY 2003 APPROPRIATION	FY 2004 REQUEST	GOVERNOR RECOMMENDS FY 2004
Administration	\$ 6,096,497	\$ 6,940,784	\$ 6,776,684	\$ 6,797,626
Market Conduct and Financial Examinations	6,502,370	7,429,506	7,429,506	7,450,180
Refunds	79,739	25,001	25,001	25,001
Health Insurance Counseling	400,000	450,000	450,000	450,000
DEPARTMENTAL TOTAL	\$ 13,078,606	\$ 14,845,291	\$ 14,681,191	\$ 14,722,807
Federal Funds	400,000	450,000	450,000	450,000
Insurance Examiners Fund	6,510,138	7,429,507	7,429,507	7,450,181
Department of Insurance Dedicated Fund	6,168,468	6,965,784	6,801,684	6,822,626
Full-time equivalent employees	216.99	226.50	226.50	226.50

POLICY SUMMARY

Governor Holden's budget for Fiscal Year 2004 includes a total of \$14.7 million for the Department of Insurance to protect Missouri consumers and provide oversight of the insurance industry. By promoting a competitive marketplace, the department helps to ensure affordable insurance is available to Missourians. The department's outreach and education program is designed to assist consumers in making informed purchasing decisions. In-depth analysis of market trends, complaint information, and financial statements help target the department's examination of insurance companies to ensure the maximum effectiveness of state resources.

A weakened economy and considerable growth in mandatory programs like Medicaid has resulted in the most significant challenge the state has faced since the Depression. The Fiscal Year 2004 budget includes substantial core reductions. However, the budget also recognizes that the state cannot cut its way out of the current fiscal problems without severely reducing essential services provided to Missourians. General revenue budget increases have been limited to mandatory programs. Governor Holden's priorities are protecting the state's investment in education and ensuring that our most vulnerable citizens – children, the elderly, and disabled – are shielded to the greatest extent possible from budget reductions.

Some performance measures the Department of Insurance uses to evaluate the availability and affordability of insurance for Missouri consumers follow:

	1999	2000	2001
Percentage of Missourians (non-elderly) with health insurance	90.4%	88.0%	88.4%
Amount recovered for consumers over disputed claims (millions)	\$8.8	\$7.4	\$12.6
CLAIM program recoveries for Missouri seniors	\$330,202	\$1,000,000	\$982,000
Missouri versus nationwide premiums paid to claims paid for:			
workers' compensation insurance*	-1.5%	+5.2%	-10.2%
all property and casualty lines*	-2.2%	-2.0%	+6.1%
all accidental and health lines*	+0.8%	+0.03%	+1.7%

*Negative number indicates Missouri has a better rate than the national average.

Fiscal Year 2004 Governor's Recommendations

- \$41,616 other funds for pay plan.
- \$900 other funds for transfer in of parking leases from the Office of Administration.
- (\$165,000) other funds for one-time computer programming costs related to the implementation of provisions contained in SB 193 (2001).